

RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY
AUDIT COMMITTEE RESPONSE:
2011 EXTERNAL AUDIT FINDINGS

The Riverhead Industrial Development Agency (RIVIDA) is relatively small and has limited staff and resources. RIVIDA fully recognizes and acknowledges its obligation to separate the various accounting and finance functions of its operations. In an effort to meet the degree of separateness of function as mandated in NYS State laws rules and regulations, the RIVIDA has instituted the following measures: an audit committee has been organized: members from the RIVIDA Board of Directors (separate from the audit committee) review all warrants for appropriateness on a regular basis and sign off on all expenditures; an independent external auditing firm has been retained and an independent CPA consultant has been retained as Chief Financial Officer to manage all procurement documents prior to review by the Executive Director and the RIVIDA Board of Directors' members; signing privileges have been segregated; and dual authority is required for certain banking transactions. RIVIDA recognizes that these measures, however well intended, perhaps do not meet the expectations of NYS 100%, but do represent the maximum an agency of RIVIDA's size and limited resources can accomplish. RIVIDA is committed to continuously improving its ability to keep the 5 finance functions separate to the greatest degree feasible.

To address the matters pertaining to cash receipts: In addition to the electronic archives made available through online banking services, there will be increased attention to maintaining hard copy deposit slips. A new procedure has been put in place for 2012 that requires the monthly bank statements received electronically to be printed out and retained in a file. The deposit slips are to be matched to the bank statement on a monthly basis and attached for reference.

To address the matters pertaining to cash disbursements: Invoices (all pages) will be stamped paid and the Chairman of the Board will initial the Treasurer's report after approval by the board.